98TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 98-29

DISAPPROVAL OF DEFERRAL OF MASS TRANSIT FUNDS

MARCH 9, 1983.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. HOWARD, from the Committee on Public Works and Transportation, submitted the following

REPORT

[To accompany H. Res. 97]

[Including cost estimate of the Congressional Budget Office]

The Committee on Public Works and Transportation, to whom was referred the resolution (H. Res. 97) disapproving the proposed deferral of budget authority for the Mass Transportation Capital Fund (deferral numbered D83-59), having considered the same, report favorably thereon without amendment and recommend that the resolution do pass.

BACKGROUND

On December 21, 1982, the House approved, by a vote of more than 2 to 1, the Conference Report on the Surface Transportation Assistance of 1982 (STAA), Public Law 97-424, which the President signed into law on January 6, 1983.

Public Law 97-424 increased various highway user taxes, among them the motor fuels tax. The tax on fuels was increased from 4 cents per gallon, which had been constant since 1959, to 9 cents per gallon.

Under the provisions of the new law, the revenues generated by 1 cent of the increase would go into the Mass Transit Account, newly created by the Act, in the Highway Trust Fund. Funds from this Account would be used for transit capital projects.

The creation of the trust fund account was deemed one of the major achievements of the new Act, because it established, for the first time in the history of the public transportation program, a stable, predictable, and dedicated source of revenue for transit capital expenditures. Funding for transit programs had previously come from general revenues, and the level of funding has been determined by the annual appropriations process.

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For fiscal year 1983, $779 million in contact authority was authorized from the trust fund account to be apportioned on a formula basis to transit properties of all sizes around the country.

On February 1, 1983, the President transmitted a message to Congress (deferral number D83–59) deferring $229 million in fiscal year 83 budget authority from the new trust fund account.

The Committee has received testimony indicating that between $10 billion and $13 billion is needed to address the nation's immediate transit capital needs, and that more than $5 billion a year will be needed for the next 10 years to meet continuing needs. Administration officials have concurred in this estimate of need.

The Committee opposes the deferral as being inconsistent with recognized transit needs, and with the intent of Congress underlying both the revenue and authorizing provisions of the Act.

When the STAA was passed, it was with the clear intent that the increased revenues from the fuel tax would be utilized to the maximum—within the anti-deficit constraints of the revenue title—to improve our nation's transportation network.

The Committee also believes that to preserve the integrity of the trust fund mechanism of transportation funding, budget authority by this Committee under its exclusive jurisdiction must be made available in the authorized amounts.

PURPOSE

Pursuant to Section 1013 of the Impoundment Control Act of 1974, House Resolution 97 would disapprove the deferral message D83–59, thus making available the $229 million in budget authority for transit capital projects that was deferred therein.

Passage by either body of Congress would overturn the deferral.

COMMITTEE CONSIDERATION

The Surface Transportation Subcommittee considered the resolution in its hearing of February 23.

The Surface Transportation Subcommittee reported the resolution to the full Committee by a voice vote on March 3. On the same date, the Committee reported the bill to the full House by a voice vote.

COMPLIANCE WITH RULE XI OF THE RULES OF THE HOUSE OF REPRESENTATIVES

(1) With reference to clause 2(1)(3)(A) of Rule XI of the Rules of the House of Representatives, there have been no specific findings or recommendations on the subject matter of this resolution submitted by the Subcommittee on Investigations and Oversight.

(2) With reference to clause 2(1)(3)(B) of Rule XI of the Rules of the House of Representatives, no cost estimate pursuant to Section 308(a) of the Congressional Budget and Impoundment Act of 1974

is required as the resolution does not provide new budget authority or increased tax expenditures.

(3) With reference to clause 2(1)(3)(C) of Rule XI of the Rules of the House of Representatives, the Committee has received the following report prepared by the Congressional Budget Office under section 403 of the Congressional Budget Act.

The report is as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., March 8, 1983.

Hon. JAMES J. HOWARD,
Chairman, Committee on Public Works and Transportation, U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed H. Res. 97, Disapproving the Proposed Deferral of Budget Authority for the Mass Transportation Capital Fund, as ordered reported by the Committee on Public Works and Transportation, March 3, 1983. The deferral action (D83–59) set forth in the President's special message transmitted to the Congress on February 1, 1983, withholds from obligation $229 million of contract authority for fiscal year 1983, which is to be funded from the newly established Mass Transit Account of the Highway Trust Fund. The Federal Public Transportation Act of 1982 provides for total contract authority of $779 million in 1983.

Outlays from the $229 million are estimated by the Congressional Budget Office to be approximately $23 million in 1983 and $34 million in 1984. The action proposed by H. Res. 97 does allow the obligation of the full $229 million that the Administration had proposed for deferral, but it does not increase outlays over the level presently estimated by CBO for the Mass Transit account. These outlays do not represent increases as scored by CBO because the effects of the deferral were not included in our current level estimate.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

JAMES BLUM
(For Alice M. Rivlin, Director).

(4) With reference to clause 3(1)(3)(D) of Rule XI of the Rules of the House of Representatives, the Committee has not received a report from the Committee on Government Operations pertaining to the subject matter.

(5) With reference to clause 2(a)(4) of Rule XI of the Rules of the House of Representatives, passage of House Resolution 97 should have a negligible inflationary impact on prices and costs in the operation of the national economy.

COST OF LEGISLATION

With reference to Rule XIII(7) of the Rules of the House of Representatives, the cost to the United States in carrying out House Resolution 97, as reported, is estimated by the Committee to be costs which appear in the report of the Congressional Budget Office.

CHANGES IN EXISTING LAW MADE BY THE RESOLUTION, AS REPORTED

With reference to clause 3 of Rule XIII of the Rules of the House of Representatives, no changes in existing law are made by the resolution.

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